

UNITED STATES OF AMERICA

MAR 31 2016

BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY  
Electricity Delivery and  
Energy Reliability

In the Matter of

MXTREP #1, LLC (formed in Texas)

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Docket No. EA-419

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**APPLICATION OF MXTREP #1, LLC FOR AUTHORIZATION  
TO EXPORT AND TRANSFER ELECTRICITY FROM  
TEXAS TO MEXICO BY USING TENASKA POWER SERVICES**

Pursuant to Section 202(e) of the Federal Power Act ("FPA") (16 U.S.C. § 824a(e)) and 10 C.F.R. §§ 205.300, *et seq.*, MXTREP #1, LLC ("MX TREP" or "Applicant") hereby submits this Application for authorization to export and transfer electricity within Texas by using Tenaska Power Services, or a suitable alternative company, and into Mexico by Sharyland Utilities, or a suitable alternative company, for a period of five years (or such longer period as may be permitted by the Department). In support of this Application, MX TREP respectfully states as follows:

**I. INTRODUCTION**

MX TREP requests that it be authorized to export electricity from Texas to Mexico by using Tenaska Power Services for a five-year period or such longer period as the Department may authorize for similarly situated power marketers.

**II. DESCRIPTION OF APPLICANT**

The exact legal name of the Applicant is MXTREP #1, LLC. The Applicant is a Texas limited liability corporation with its principal place of business in Texas and is authorized to do

business in Texas. MX TREP is wholly owned by individual investors. Applicant is not seeking authorization to export power on behalf of, or in conjunction with, any partners or partnerships.

Applicant will be in the business of participating in the wholesale market for purchases and sales of electric energy. Applicant does not own or control any electric generating or transmission facilities, nor does the Applicant have a franchised service area. Upon obtaining authorization to export power, Applicant will operate as a power marketer<sup>1</sup> and broker and buy electric power at wholesale in the United States [Texas?] for sale only in Mexico. Applicant does not contemplate making wholesale or retail sales within the United States, but if in the future such sales are contemplated, Applicant will seek all appropriate regulatory authorizations, including but not limited to authorization from the Federal Energy Regulatory Commission ("FERC") to make sales of electric power at wholesale in interstate commerce at market-based rates. Applicant will purchase the power to be exported from wholesale generators, electric utilities, and power marketing agencies. Applicant will have title to any electricity transmitted to Mexico under the authorization sought in this Application. This Application relates to MX TREP as a marketer of electric power only.

### **III. COMMUNICATIONS**

Communications regarding this Application should be addressed to the following:

Boone Nerren  
Manager  
MXTREP #1, LLC  
16200 Dallas Parkway, Suite 245  
Dallas, TX 75248  
214-466-8270 Office  
214-794-8777 Cell

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<sup>1</sup> As used herein, the terms "marketer" and "power marketer" means an entity that buys and sells electric power for its own account.

#### **IV. JURISDICTION**

Pursuant to FPA Section 202(e), the Department has jurisdiction over the action proposed in this Application. No other known federal, state or local government has jurisdiction over the actions to be taken under the authority sought in this Application.

#### **V. AUTHORIZATION AND TECHNICAL DISCUSSION**

MX TREP hereby applies for authorization to transmit electric power to Mexico as a power marketer over any authorized international transmission facility that is appropriate for open access transmission by third parties in accordance with the export limits authorized by the Department. MX TREP plans to export electric power over authorized transmission interconnections between Mexico and Texas. Such sales would be made in foreign commerce at the Texas – Mexico border. Transmission to the point of delivery will be arranged by MX TREP over any of the existing international electric transmission facilities set out in Attachment 1 and over any international transmission facilities that may be approved by the Department in the future.

Applicant does not currently own or control electric generation or transmission facilities and does not have a power supply of its own in Texas on which its exports of power could have a reliability, fuel use or system stability impact. The electric power that MX TREP will export, on either a firm or an interruptible basis, will be purchased from wholesale generators, electric utilities and federal power marketing agencies voluntarily, and therefore will be surplus to the needs of the selling entities. Accordingly, the proposed exports will not impair or tend to impede the sufficiency of electricity supplies in Texas or the regional coordination of electric utility planning or operations. Additionally, as a power marketer that does not own or operate a transmission system, MX TREP does not have the ability to cause a violation of the terms and

conditions in the existing authorizations associated with the international transmission facilities identified in Attachment 1. Specifically, MX TREP does not have the ability to cause total exports on Presidential Permit facilities to exceed the authorized instantaneous transmission rate.

MX TREP will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to carry out any power exports. This would include: (1) scheduling each transaction with the appropriate balancing authority area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation and the relevant Regional Entities (collectively, “NERC”) in effect at the time of export, and (2) obtaining all necessary transmission access over approved export facilities. MX TREP agrees to abide by the export limits contained in the relevant export authorization of any transmission facilities over which MX TREP exports electric power to Mexico. The controls that are inherent in any transaction that complies with all NERC requirements and the export limits imposed by the Department on the international transmission facilities are sufficient to ensure that exports by MX TREP would not impede or tend to impede the coordinated use of transmission facilities within the meaning of FPA Section 202(e).

In previous orders granting export authorizations to electric power marketers, the Department declined to rigidly apply the information filing requirements contained in its regulations and instead used a flexible approach which takes into consideration the unique nature of power marketers and previously authorized export limits of cross-border facilities.<sup>2</sup> These same considerations demonstrate that MX TREP’s proposed exports will not impair or tend to

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<sup>2</sup> See, e.g., *NorAm Energy Services, Inc.*, No. EA-105-CN (Aug. 16, 1996); *MidCon Power Services Corp.*, No. EA-114 (July 15, 1996); *USGen Power Service*, No. EA-112 (June 27, 1996); *CNG Power Services Corp.*, No. EA-110 (June 20, 1996); *Deslec Power Services, Inc.*, No. EA-113 (May 31, 1996); *North American Energy Conservation, Inc.*, No. EA-103 (May 30, 1996); *NorAm Energy Services, Inc.*, No. EA-105-MX (May 30, 1996); *Enron Power Marketing, Inc.*, No. EA-102 (Feb. 6, 1996); *Morgan Stanley Capital Group Inc.*, No. EA-185-A-CN (Aug. 14, 2000); *Saracen Energy Partners, LP*, No. EA-340 (June 18, 2008).

impede the sufficiency of electric supplies in [Texas/the United States?] or the regional coordination of electric utility planning or operations.

## **VI. CONSISTENCY WITH LAWS**

Authorization of the exports proposed by MX TREP is consistent with the North American Free Trade Agreement and United States energy policy and will foster development of a more efficient and competitive North American energy market. MX TREP will conduct all operations pursuant to this Authorization in accordance with the provisions of the FPA and pertinent rules, regulations and orders adopted or issued thereunder, and in conformity with the applicable reliability criteria, standards and guidelines of NERC, reliability coordinators, and balancing authority area operator(s), including any applicable regional transmission organizations or independent system operators.

Because the proposed exports will occur over existing transmission facilities, Applicant respectfully submits that the Application qualifies for a categorical exclusion under the National Environmental Policy Act of 1969, such that neither an Environmental Agreement nor an Environmental Impact Statement is required.

Finally, MX TREP will continue to comply with such requirements as may be imposed by the Department on other power marketers with blanket electricity export authorization, including making periodic reports to the Department regarding exports, as may be applicable or required.

## **VII. EFFECTIVE DATE**

MX TREP respectfully requests that the Department expedite review of the Application and issue the requested authorization by and effective March 31, 2016 or at the earliest possible date. The Department should find that good cause has been shown to grant MX TREP

authorization to export power to Mexico effective on such date. Allowing MX TREP to engage in such transactions as of such date will increase the liquidity of the wholesale electricity markets and promote economic growth by allowing the entry of another market participant.

### **VIII. EXHIBITS**

The following Exhibits are attached hereto:

Exhibit A	Verification.
Exhibit B	Transmission Facilities

### **IX. CONCLUSION**

MX TREP respectfully requests that the Department of Energy grant this Application as requested herein.

Respectfully submitted,

MXTREP #1, LLC

By: 

Boone Nerren  
Manager

Date: 3/24, 2016

**EXHIBIT A**  
**VERIFICATION**

VERIFICATION

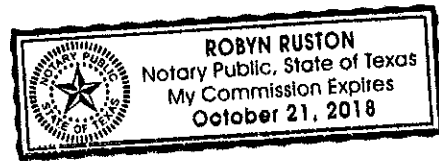
STATE OF Texas )  
 )  
CITY OF Dallas ) SS.

The undersigned, being duly sworn, states that he is the authorized representative of MXTREP #1, LLC; that he has read the foregoing application and knows the contents thereof; and that all the statements contained therein with respect to MXTREP #1, LLC are true and correct to the best of his knowledge, information and belief.

Boone Nester  
Name: Boone Nester  
Title: Manager

Subscribed and sworn to before me  
This 21 day of March, 2016

Robyn Ruston  
Notary Public





## EXHIBIT B

### Transmission Facilities Located At the U.S. – Mexico Border Authorized for Third-Party Use

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u>
Comision Federal de Electricidad	Falcon Dam, TX	138 kV	N/A
	Redford, TX	7.2 kV	PP-51
	Presidio, TX	13.8 kV	PP-03
Baja California Power, Inc.	Imperial Valley, CA	230 kV	PP-234
Generadora del Desierto - WAPA	San Luis, AZ	230 kV	PP-304
AEP Texas Central Company	Brownsville, TX	138 kV	PP-94
	Brownsville, TX	69 kV	PP-94
	Laredo, TX	138 kV	PP-317
	Laredo, TX	230 kV	PP-317
	Eagle Pass, TX	138 kV	PP-219
El Paso Electric Company	Diablo, NM	115 kV	PP-92
	Ascarate, TX	115kV	PP-48
San Diego Gas & Electric	Miguel, CA	230 kV	PP-68
	Imperial Valley, CA	230 kV	PP-79
Sharyland Utilities	McAllen, TX	138kV	PP-285